GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

STARRED QUESTION NO:130
ANSWERED ON:27.11.2002
CLOSURE OF SSI(S)
BASUDEB ACHARIA;BIR SING MAHATO

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the measures taken by the Government to promote the interests of small and rural industries have failed in the tight competition thrown by liberalisation as a result of which many small and rural industries have been closed down during the last two years and many other are on the verge of closure;

(b) the reaction of the Government thereto;

(c) the changes made/ to be made in the policies by the Government in order to achieve the targets; and

(d) whether the Government have not been successful in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STAT IN THE DEPARTMENT OF PERSONNEL AND TRAINING,DEPARTMENT OF PENSIONS AND PENSIONERS` WELFARE THE MINISTRY OF PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SMT. VASUNDHARA RAJE)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO PARTS (a) TO (d) IN RSPECT OF THE LOK SABHA STARRED QUESTIC 130 FOR REPLY ON 27th NOVEMBER, 2002

(a)&(b):The process of liberalisation, no doubt, has brought the Small and Rural Industries Sector face to face with increased competition. However, the measures taken by the Government from time to time for the promotion and development of Small and Rural Industries and to enhance their competitiveness, have helped them to grow in terms of number of units, production and employment as given below :

Year	No. of SSI units (Lakh Nos.)	Production (Rs. Crores)	Employment (Lakh Nos.)
2000-01	33.12	6,39,024	185.64
2001-02	34.42	6,90,316	192.23

These measures also helped to reduce the incidence of sickness in the sector. According to the Reserve Bank of India which compiles data on sickness, the number of sick SSI units declined from 3,04,235 units as at the end of March, 2000 to 2,49,630 units as at the end of March, 2001 (latest available).

(c)&(d): Government have announced on 30th August, 2000 a Comprehensive Policy package for Small Scale Industries and Tiny Industries Sector to further strengthen the sector and enhance its competitiveness both domestically and globally through enhanced fiscal and credit support, better infrastructure and marketing facilities and incentive for technology upgradation. The Government has already implemented most of the items in the Package owing to which the SSI sector has emerged stronger to face the emerging challenges of globalisation and liberalisation. It is a constant endeavor of the Government to promote development of Small and Rural Industries sector.